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September 16, 2019

**VIA ELECTRONIC FILING**

Ms. Kimberly A. Campbell, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4300

**RE: CPRE Tranche 2 Stakeholder Meeting Report  
Docket Nos. E-2, Sub 1159 and E-7, Sub 1156**

Dear Ms. Campbell:

Pursuant to Ordering Paragraph No. 3 of the Commission's July 2, 2019 *Order Modifying and Accepting CPRE Program Plan*, please find enclosed the Report of the Independent Administrator pertaining to the CPRE Tranche 2 Stakeholder Meeting that was held September 12, 2019.

Please do not hesitate to let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jack E. Jirak', written in a cursive style.

Jack E. Jirak

Enclosure

cc: Parties of Record

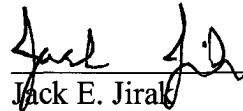
OFFICIAL COPY

Sep 16 2019

**CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Progress, LLC's and Duke Energy Carolinas, LLC's CPRE Tranche 2 Stakeholder Meeting Report, in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 16<sup>th</sup> day of September, 2019.



\_\_\_\_\_  
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**DUKE ENERGY CAROLINAS, LLC  
DUKE ENERGY PROGRESS, LLC**

**REPORT OF THE INDEPENDENT ADMINISTRATOR  
RE:**

**TRANCHE 2 – September 12, 2019 STAKEHOLDER SESSION**

**DUKE ENERGY CAROLINAS (DEC)**

Competitive Procurement of Renewable Energy Program (CPRE)  
Request for Proposal (RFP) – 600 MW

**DUKE ENERGY PROGRESS (DEP)**

Competitive Procurement of Renewable Energy Program (CPRE)  
Request for Proposals (RFP) – 80 MW

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**September 12, 2019**

**ACCION GROUP, LLC**  
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## Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP) CPRE Tranche 2 Stakeholder Meeting Compliance Report

On July 2, 2019, the North Carolina Utility Commission (“NCUC” or “Commission”) issued an order Modifying and Accepting CPRE Program Plan in Docket E-2, Sub 1159. That order requires Duke Energy Carolinas, LLC (“DEC”), and Duke Energy Progress, LLC (“DEP”) (together, “Duke”) to meet monthly with interested stakeholders to continue discussions with the Independent Administrator (“IA”), the Public Staff, and the market participants with the goal of reaching consensus on the documents that will be used in the Tranche 2 CPRE RFP Solicitation and of providing a forum for market participants to gain more detailed information about the solicitation process. Further, Duke was directed to file reports detailing the status of these discussions on or before July 15, 2019, and every 30 days thereafter until December 15, 2019.

Accion Group, LLC, the IA, conducted the pre-Proposal Conference and Stakeholder session on September 12, 2019, and prepared this report to be submitted by Duke.

The September 12, 2019, session was conducted by webinar only, because Duke’s need to use conference rooms were unavailable because they were committed to the mobilization of personnel in response to the recent hurricane. Dispensing with the in-person option of the session was reviewed with the NCUC Staff in advance of the session.

### I. Attendance

STAKEHOLDER SESSION PARTICIPATION AUGUST 7, 2019	
Total in Person (including IA and Duke personnel assembled at Duke offices):	11
Total on Webinar:	93
Total Identifiable Companies:	44
Total Not Identifiable by Company:	30

Attachment A is a list of the firms for which representatives were identified.

### II. Subjects Discussed

Attachment B is a copy of the presentation made by the IA and Duke for both the pre-Proposal Conference and the Stakeholder session.

### III. Areas of Agreement, Disagreement, and Open for Discussion

Attachment C is a list of all questions posed during the Stakeholder session. Written responses to each will be posted on the IA Website. The meeting was conducted as an information session with an open discussion without identified issues to be agreed to by the participants.



## ATTACHMENT A

### FIRMS WITH PARTICIPANTS – SEPTEMBER 12, 2019 SESSIONS

Attachment A: Firms with Participants – September 12, 2019 Stakeholders Session	
Accion Group (IA)	JSD
Adani Group	Manager, Energy Marketing
Advanced Energy	Narenc
Birdseye Renewable Energy	National Renewables Energy Corp.
Carolina Solar Energy	Navigant
Chambers for Innovation	NCCEBA
Clearway Energy	NextEra Energy Resources
Collegiate Clean Energy	Origis Energy
Community Energy Solar LLC	Orion Renewables Energy Group
Crisp Law	Palladium Energy, LLC
Cypress Creek Renewables	Office of Regulatory Staff SC
Duke Energy	Parker Poe Adams & Bernstein LLP
Ecoplexus, Inc.	Pine Gate Renewables
EDF Renewable Energy	Pure Power Contractors Inc.
ElectriCities of NC, Inc.	Raywell Solar
Energy Intelligence Partners	Revolve Power
Eon	River View Power
First Solar	S2 Solar
Florida Power and Light	Solterra Partners, LLC
Fox Rothschild LLP	Strata
ICF	Vivo Power
Innogy Renewables, US	X-ELIO
Invenergy, LLC	

**ATTACHMENT B**

**COMBINED PRE-PROPOSAL CONFERENCE AND STAKEHOLDER SESSION  
PRESENTATION**

**OFFICIAL COPY**

**Sep 16 2019**



- **Pre-bid Conference**

- Overview and Background – CPRE Tranche 2
- Tranche 2 Solicitation Details
- Interconnection
- Pro Forma PPA
- Asset Acquisition Proposals
- Q&A

- **Stakeholders Session Topics**

- Tranche 1 De-brief overview
- Q&A Process Discussion & Status
- Review pro-forma RFP & PPA
- Status of Avoided Cost Progress
- Storage Protocols Revisions
- Transmission Analysis
  - Projects with Executed Interconnection Agreements
  - Locational Guidance Update
  - RCOD Treatment of Transmission Construction

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## Overview and Background Tranche 2



## Independent Administrator Introduction

- **NCUC selected Accion as the Independent Administrator**
- **IA conducting the webinar as permitted by NCUC protocols**
  - Duke will not have direct exchanges with bidders until > selections by IA
- **To ask questions, use the “Q&A” feature on the webinar control panel**
  - Do not identify yourself or company
  - Follow up questions encouraged during webinar
  - Use Q&A on RFP website to ask questions > webinar and < bid date
- **Written responses to all questions will be posted on RFP website**
  - Written responses should be used when preparing Proposals
- **Webinar materials will be posted on the RFP website**
- **After webinar, all communication will be through IA website:**  
<https://decprerfp2019.accionpower.com>
- **Bids will only be accepted through the IA website**

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## Role of the IA

- Monitor compliance with CPRE Program requirements
- Review and comment on draft CPRE Program filings, plans, and other documents
- After review of comments received from Market Participants IA will submit a report to Duke regarding recommended changes
- Facilitate and monitor permissible communications between the electric public utilities' Evaluation Team and other participants in the CPRE RFP solicitations
- Ensure equitable review between an electric public utility's Self-developed Proposal(s) as addressed in Subsection (f)(2)(iv) and Proposals offered by Third-party Market Participants develop and publish evaluation methodology and independently evaluate the Proposals
- Ensure Duke has no access to Proposals until released by IA
- Monitor post-proposal negotiations between the electric public utilities' Evaluation Team(s) and Participants who submitted winning Proposals
- Provide an independent certification to the Commission in the CPRE Compliance Report that all electric public utility and Third-party Proposals were evaluated under the published CPRE Program Methodology and that all Proposals were treated equitably through the CPRE RFP Solicitation(s)

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## CPRE Overview

- Resources up to 80 MWs in size will be selected for a 20-year term
- Renewable energy facilities eligible to participate include those facilities that use renewable energy resources identified in G. S. § 62-133.8(a)(8), the REPS statute:
  - Solar
  - Hydropower
  - Wind (excluded from Tranche 1)
  - Geothermal
  - Biomass
  - Animal waste (excluded from Tranche 1)

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## Overview and Background – Tranche 2

- Duke required to procure a cost-effective portfolio of renewable resources through an independently monitored competitive procurement process
- CPRE is a 45-month program
- Tranche 1 completed – July 2019
- Tranche 1 goals
  - DEC 600 MW
  - DEP 80 MW
- Tranche 1 results
  - DEC 465 MW
  - DEP 86 MW

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## Overview and Background – Tranche 2

- **Size of Solicitation**

- DEC ~ 600 MW
- DEP ~ 80 MW

- **Tranche 2 Proposed Schedule**

Draft solicitation documents published	08/15/2019
Proposal period opens on IA website	10/15/2019
RFP window closes – deadline for submission by all other participants */ NCUC Order = Sunday 12/15/2019. Submissions due next business day	12/16/2019 */
Target for Step 1 Evaluations completed	03/01/2020
Target for Step 2 Evaluations completed	06/30/2020
Notify winning bidders (Approximate date)	07/03/2020
Contracting period ended (90 days)	08/28/2020

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## Standards of Conduct

- **Duke Evaluation Team separated from DER Proposal Team and DEC/DEP Proposal Team**
  - Separate T&D Sub-Team
- **All communications between Evaluation Team & DER and DEC/DEP Proposal Teams via website**
- **IA controls access to all Proposal data**
- **IA will provide initial ranked Proposal list to T&D Sub-Team**
  - Location, queue number, size data & project owner.
  - No pricing data
- **IA will provide Duke Evaluation Team final ranked Proposals, after imputing T&D cost estimates**
- **Separation protocols in place throughout Tranche 2**

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## Key Proposal Requirements

- Physically interconnected with either the DEC or DEP transmission or distribution systems, depending on which RFP the Proposal is bid into
- Have not been placed in service prior to the date of issuance of this RFP
- Capable of completing construction prior to January 1, 2023 (Not completion of Interconnection)
- Sized between 1 MW to 80 MW
- Use a renewable energy resource identified in G.S. 62-133.8(a)(8)
- Commit to sell 100% of its renewable electrical energy, capacity, and environmental and renewable attributes (delivered via NC-RETS tracking system as further specified in the PPA)
- In the case of PPA Proposals and Asset Acquisition Proposals, have submitted Form 556 to the Federal Energy Regulatory Commission on or before the date of submission of the Proposal to obtain qualifying facility ("QF") certification

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## Key Proposal Requirements (cont.)

- Interconnection requirements – to be discussed in Stakeholder session
- Energy storage proposals -- all storage located on the DC side of the inverter and charged solely from the applicable Facility
- Proposal Fees and Security
  - Each Proposal will pay a fee when Proposal is submitted of \$500.00/MW, up to a maximum of ten thousand dollars (\$10,000)
  - Winning bidders share "Winners Fee" on pro rata /MW allocation
  - Proposal Security of \$20/kW will be required for all Proposals moved to the competitive Tier after Step 1 of the evaluation
  - PPA Pre-COD Performance Assurance

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## Types of Proposals Accepted in RFP

Proposal Type	Proposal Structure
PPA	Levelized (non-escalating) payments for capacity, energy, and environmental and renewable attributes in \$/MWh terms for 20 years from the commercial operation date. The pro forma PPA is attached as <b>Appendix A</b> .
Utility Self-Developed Facilities	Utility owns or controls the property and offers Renewable Resource facility(s) into the CPRE RFP in \$/MWh terms for 20 years from the commercial operation date.
Asset Acquisition	<b>Renewable Resource Asset Transfer</b> – Facility siting, land control, design, permitting and interconnect studies completed by the Market Participant and fully developed project offered into the RFP. Facility ownership will be transferred to DEC or DEP prior to construction and DEC or DEP will responsible for construction.
	<b>Renewable Resource Asset Transfer plus EPC</b> – The Facility is submitted into the RFP for purchase by DEC/DEP along with an offer to build the site under an Engineering Procurement and Construction Agreement for purchase by DEC or DEP. Facility is developed by the Market Participant and ownership transfers to DEC or DEP before the start of construction.
	<b>Build Own Transfer (“BOT”)</b> – Facility is fully developed and constructed by the MP and submitted as a “turn-key” offer into the RFP by Market Participant. Facility ownership will be transferred to DEC or DEP prior to commercial operation.

### Notes –

- 1) Facilities can be bid as both Asset Acquisition and PPA Proposals
- 2) Facilities bid as Asset Acquisition Proposals will be evaluated by the DEC/DEP Proposal Team, which team will be solely responsible for determining whether to submit the Proposal for further evaluation by the IA along with all other Proposals.

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## Evaluation Process







## Avoided Costs and Proposal Pricing

- The current draft RFP contains the 20-year levelized avoided cost rates for both DEC & DEP based on the methodology proposed by Duke in Docket No. E-100, Sub 158
- Proposal pricing must be stated as an equal percentage decrement that is applied equally to all pricing periods.
- Final RFP pricing will be dictated by the Commission's Final Order in Docket No. E-100, Sub 158

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## Avoided Cost Docket

- **NCUC Decision in Avoided Cost Docket (E-100, Sub 158) is critical to CPRE.**
  - Will dictate pricing and provide decision on Solar Integration Service Charge.
- **July 2019 Order in CPRE dockets (E-2, SUB 1159 & E-7, SUB 1156) stated:**
  - "It is the Commission's intent to issue a notice of decision or final order in the Sub 158 Proceeding with sufficient time for Duke to make a compliance filing in response to that notice or order, and the rates and rate methodologies established pursuant thereto to be incorporated into the CPRE Program Methodology. Thus, the Commission will further direct Duke and the IA to schedule the proposal submission period for at least 60 days (approximately October 15—December 15), subject to automatic extension up to and including the 45th day after the Commission issues a notice of decision or final order in the Sub 158."
- **Therefore, MPs will have at least 45 days from the date of the Commission's E-100, Sub 158 decision before bid submission due date.**
  - Depending on the date of the decision, the December 15<sup>th</sup> due date could slip.

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## Economic Evaluation Criteria

### EVALUATION- OVERVIEW

- **Evaluation methodology**
  - Accion will conduct "mock bid" process
    - Confirm modeling accuracy & "lock" before bids received: No changes > bid date
  - Proposals due December 15, 2019 (current schedule)
  - DEC/DEP and DER Proposals due one day before all other MPs
  - Evaluation & ranking will be conducted by IA
  - Proposal Information released to Duke T&D Sub-Team will exclude pricing information
  - Finalists list released to Duke will include all bid data
  - Proposals will be evaluated
    - 60% on system benefit provided by the facility and
    - 40% on non-economic factors
- **DEC/DEP and DER Proposals evaluated with same standards and tools**
  - Proposals sponsored for acquisition by DEC/DEP will be evaluated by the IA along with all other Proposals
  - DEC/DEP sponsored Proposals required to provide proposal Security in the manner described in the RFP

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## Evaluation Process

### STEP 1 PROCESS

- **The IA will complete "cure period"**
  - MPs provided opportunity to confirm Proposal & cure IA-identified omissions
- **The IA will complete the economic evaluation of all Proposals**
- **The IA will complete the non-economic evaluation & Step 1 Proposal scoring**
  - Non-economic factors include project details, permitting, financial requirements, etc.
  - Done to confirm viability of Project & Qualifications of MP
- **Based on the scoring, the IA will rank order the Proposals and select a portfolio of projects to be considered for Step 2 evaluation**

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## Evaluation Process

### STEP 2 PROCESS

- **The Duke T&D Sub-Team will**
  - Evaluate Proposals in IA Step 1 rank order, applying grouping study concept, as required
  - Determine if project would require network system upgrades
  - Develop estimated network system upgrade costs and assign costs to Proposals
  - Provide network system upgrade costs to IA
- **The IA will impute upgrade costs and re-rank the Proposals**
- **Process will continue in an iterative manner until no re-ranking is necessary**
- **The IA will present recommended portfolio to Duke Evaluation Team**
  - Release of Proposal information to Duke Evaluation Team

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## Economic Evaluation Criteria

- **System Benefit Evaluation (60%)**
  - System Benefit = 20-year net Energy Benefit + 20-year Net Capacity Benefit
  - Capacity Benefit: the value derived from the deferral of future Duke Energy generating capacity.
  - Energy Benefit = Net of System Marginal Energy less Proposal Cost (evaluated on an 8760-hour basis)
    - Proposal Cost is the \$/MWH price X Facility output from the production profile shape. (This is revenue to the facility)
    - Proposal will be evaluated assuming allowed curtailment by Duke Energy
      - Duke Energy Carolinas (DEC) allowed 5% energy curtailment
      - Duke Energy Progress (DEP) allowed 10% energy curtailment
      - Note: This results in a loss of projected revenue to the bidder in addition to reduction of energy output.
      - Evaluation Model assumes curtailment to minimize cost to Duke Energy (start curtailment hours when Facility Energy is most costly compared to System Energy and continue until curtailment limit is reached).
  - Proposals with storage must provide production profiles with and without storage
    - Curtailment for Proposals with storage will be applied in a similar manner to Proposals without storage

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**Q&A**

**Interconnection**





## Interconnection

- **Facilities must directly connect to the DEC or DEP System and in the case of PPA Proposals and Asset Acquisition Proposals:**
  - Have obtained a queue number under the North Carolina Interconnection Procedures ("NCIP") or the South Carolina Generator Interconnection Procedures ("SC GIP") to interconnect to the DEC or DEP transmission/distribution system
- OR
- Where Facility previously submitted a FERC-jurisdictional interconnection request, a Jurisdictional Interconnection Transition Request Form must be submitted
- **Facilities bidding into the DEC RFP must connect to the DEC system and facilities bidding into the DEP RFP must connect to the DEP system**
- **PPA pricing must include all project costs to the Point of Interconnection, including the cost to directly connect to the existing DEC or DEP transmission/distribution system**
- **Costs of distribution upgrades and network upgrades should not be incorporated in the respondent's PPA price. Treatment of proposals with executed Interconnection Agreements will be discussed later in the Stakeholders' Discussion.**
  - These costs will be assessed by the T&D Evaluation Team in Step 2 of the evaluation process
  - The IA will oversee this process to determine that all bidders are treated fairly & will review all transmission/distribution cost estimates

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## Interconnection – FERC to State Queue

- **Interconnection Request Transition from FERC to State Queue**
  - Proposals certified as QFs contracting to sell full output to interconnected utility at POI are state-jurisdictional interconnections as matter of law
  - Asset Acquisition and PPA Proposals that previously submitted a FERC-jurisdictional interconnection request must complete the Jurisdictional Interconnection Transition Request Form by the Proposal due date
  - IA has posted this form to the RFP website
  - Projects transitioning to State queue via this process will not maintain their Queue Position priority, they will be treated like all other State projects.
  - Additional interconnection studies may be required upon transition to State queue.

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## Interconnection Agreements

### Treatment of Projects with Executed Interconnection Agreements (as of bid submission)

- Late-Stage Proposal concept in Tranche 1 was intended as a one-time arrangement for Tranche 1.
  - Required fully executed Facilities Study Agreement and, if applicable, non-refundable prepayment or Financial Security for any Network Upgrades identified in System Impact Study.
    - » Project was responsible for any Upgrade costs (i.e., bidder must pay for Upgrades if selected and costs not recovered through base rates).
  - All other projects required to consent to participate in CPRE grouping study, pursuant to which projects were studied based on the CPRE grouping study queue position, thereby forfeiting prior queue position.
- Questions have been posed in Tranche 2 regarding treatment of projects with executed Interconnection Agreement as of the date of bid submission.
  - This would essentially constitute an alternative version of the Late-Stage Proposal concept but with a different threshold requirement.

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## Interconnection Agreements

- **Approach #1:** Allow projects with fully executed IA to bid without ceding queue position. If selected as winner, project would remain responsible for paying for Upgrades (if applicable) assigned under IA (would have already been required to pay).
  - This approach would allow projects with executed IA to remain in original queue position and would therefore, be included in CPRE grouping study base case.
  - Would streamline CPRE T&D evaluation because such projects would not need to be evaluated.
  - Threshold question: is this a realistic option? Projects with signed IAs would be required under the terms of such IAs to make substantial payments and incur substantial costs (i.e., IA payment and cost responsibility would continue in full force and effect independent of CPRE). 6-7 months from bid submission to selection of winner.
- **Approach #2:** All projects must be studied based on the CPRE grouping study, thereby forfeiting original queue position and, where applicable, terminating IA.
  - This approach ensures that all CPRE participating projects are removed from CPRE grouping study baseline, thereby ensuring that non-winning CPRE projects are not included in the baseline if such projects are ultimately not constructed.

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- **Locational Guidance Updated since Tranche 1 completed**
  - Expanded Constrained Area Maps posted on IA Website
  - List of Constrained Transmission Lines and Subs posted on IA Website
    - Separate documents list constrained infrastructure for DEC and DEP
- **“Generator Interconnection Requirements” posted on IA Website**
  - Lists dates for queued projects as of
    - 10/8/2018 for DEC
    - 6/30/2017 for DEP

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Q&amp;A

## Pro Forma PPA and Storage



### Key Elements of PPA

- **Draft PPA and RFP documents were posted and open for comments on the RFP website and the comment period has been completed**
  - Website also has the document redlined against Tranche 1 version
- **Final PPA to be filed with the NCUC September 16, 2019**
- **The PPA is non-negotiable**
- **Key changes to PPA since Tranche 1 version posted in redline on the Website**

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## Energy Storage Key Provisions

- **Proposals with storage eligible for Tranche 2**
- **May bid project with and without storage, as two separate Proposals**
  - These proposals will require separate Interconnection Requests and separate queue numbers
- **All storage Proposals must include 8760 hourly profiles with and without storage**
- **Energy storage devices must be on the DC side of the inverter and charged exclusively by the Facility**
- **Storage devices will not be directly controlled or dispatched by DEC or DEP**
- **Stored energy will be compensated at the prices specified in the PPA – i.e. no different than energy from the generation facility**
- **Storage protocols in the PPA include the following key provisions**
  - Limitations on facility ramping
  - Day ahead forecast requirements

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Q&A



## Asset Acquisition



### Asset Acquisition Proposals

- **Asset Acquisition (“AA”) Proposals accepted on a separate Silo on the RFP Website**
  - “DEC and DEP Sited CPRE Asset Acquisitions”
- **Three types of AA Proposals allowed:**
  1. Asset Transfer Plus EPC: Bidder offers to sell project under an Asset Purchase Agreement (“APA”) and to construct the project under an Engineering, Procurement, and Construction Agreement (“EPC”)
  2. Build Transfer: MP offers to sell a constructed project under a Build Transfer Agreement (“BTA”)
  3. Asset Transfer: MP offers to sell project under an APA and the utility (DEC/DEP) is responsible for construction
- **AA Proposals must be priced on a \$/kW nameplate capacity basis**
  - Payment milestones will be set forth in the form definitive agreements, MP’s may request alternative payment milestones on the RFP project input forms for each type of AA Proposal
  - If Proposal meets the RFP criteria and DEC/DEP selects the Proposal to sponsor the proposal and DEC/DEP’s derived 20-year \$/MWh price (decrement) will be submitted to IA for evaluation

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## Asset Acquisition Proposals

- **Solar with Storage Proposals will be accepted**
  - Proposals with and without storage must be as separate Proposals
- **Project Design Specifications are posted in a Confidential Documents folder on the website**
  - MP must agree to Confidentiality Agreement ("CA") to access documents
  - CA is non-negotiable
- **Use Q&A & confidential message board on Silo for inquiries**
  - Prior to Proposal due date, IA will relay & retrieve responses
  - After Proposal due date, confidential message board available w/o IA relay
- **APA, BTA, EPC agreements were open for comments on Acquisition Silo**
- A review of the AA Proposal process is targeted for the October 10, 2019 CPRE Stakeholder Process Meeting

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Q&A



## Website Tutorial



### Question and Answers (Q&A)

- Registered RFP Website Users are invited to anonymously submit non-project specific questions to Duke Energy to answer.

<a href="#">View All Questions/Answers</a>					
<a href="#">Ask Question</a>			Question		Answer
Ref #	Category	Question	Date Asked	Date Answered	Date Modified
6	Other	Will a Bidder Webinar recording be posted on the website afterwards?	5/10/2018 3:10p	5/10/2018 3:24p	-

- Questions and Answers are public and visible to all registered users of the Website immediately after being answered.
- IA will review & relay anonymously to Duke for response. IA will post response.
- When answer posted, the individual who posed the question automatically receives an email with the Answer.
- The sort feature identifies areas of concerns permitting quick filter to subject matter.

Ref #:	6
Category:	Other
Asked:	5/10/2018 3:10p
Posted:	5/10/2018 3:24p
Question:	Will a Bidder Webinar recording be posted on the website afterwards?
Answered:	5/10/2018 3:24p
Answer:	The presentation materials and a recording of the Grid Location Customer webinar, as well as written answers to all questions posed during the webinar, will be posted on the RFP website.

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## Confidential Message Board

- Reserved for project-specific questions only and is activated for registered bidders after the Bidders' Conference takes place.
- Bidders correspond with the IA through the confidential 'Messages' link.
  - IA will relay anonymously to Duke for response & will post.
- Messages accessible to individual Bidders & IA prior to the Proposal due date.
- Messages feature used only for questions that disclose confidential Bid-specific information.
- Use Q&A for program questions.
- IA will advise if Message should not be confidential and will recommend using the Q&A feature instead.

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**Tutorial Video is Available on IA Website**



## Duke Energy – Competitive Procurement of Renewable Energy (CPRE) – Tranche 2 Stakeholders Session



*September 12, 2019*



### Agenda

#### Stakeholders Session Topics

- Tranche 1 De-brief overview
- Q&A Process Discussion & Status
- Comments summary
- Status of Avoided Cost Docket
- Transmission Analysis
  - Projects with Executed Interconnection Agreements
  - Locational Guidance Update -- included in pre-bid conference
  - RCOD Treatment of Transmission Construction

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- **A debrief opportunity was offered to all bidders, winners & non-winners**
  - IA not required to provide debrief
- **9 MPs requested debriefs for 25 Proposals including winners**
- **These debrief discussions completed**
- **A standard debrief document included:**
  - Queue number
  - Project size
  - Price decrement submitted
  - Quartile ranking after Step 1 analysis
  - Whether located in predefined constrained area
  - Whether it had a distribution factor GT 3%
  - Analysis comments if available

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**Q&A**



## Q&A Process to Date

### Summary as of September 5, 2019

- Questions & answers available to all website registrants
- Interested persons invited to use IA website Q&A feature
- Confidential Message Board available for project-specific questions

	No. of Each			Avg. No. of Days to Respond			No. Sources		
	DEC	DEP	AA	DEC	DEP	AA	DEC	DEP	AA
Messages	64	5	6	1	3	4	9	3	2
Q & A	25	0	4	12	8	5	6	0	1

### Q&A Areas of Interest

Q & A	DEC	DEP	AA
T & D Related	18	0	0
Process Related	0	0	0
Other	7	0	4

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## Comments on RFP & PPA Documents

### Website Registrants were invited to anonymously comment on the RFP & PPA prior to final release

- Interested parties were
  - encouraged to improve drafts
  - invited to suggest changes with explanation
    - Few explanations provided
- Comments being reviewed with Duke by IA
- Adopted comments will be incorporated in final documents
- Unaccepted comments will be explained by IA

Comments *				
	DEC RFP	DEC PPA	DEP RFP	DEP PPA
No. of Comments	44	16	0	10
No. of Sources	5	6	0	1
Topics				
Storage	2	1	0	0
T & D	9	2	0	1
Other	33	13	0	9
* No AA Comments				

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## Solar Integration Service Charge (SISC)

- Rationale:
  - Additional operating reserves are required to cover the intra-hour volatility of intermittent resources
- Charge
  - Subject to NCUC approval
  - DEC: \$1.10/MWh adjusted every two years and capped at \$3.22/MWh
  - DEP: \$2.39/MWh adjusted every two years and capped at \$6.70/MWh
- Intra Hour Volatility Smoothing
  - Solar sites can avoid or reduce the SISC charge by substantially reducing intra hour volatility

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## Methodology for Calculating the SISC Reduction

- Data Required
  - 5 Minute interval data collected by both the solar site owner and the company
- Calculation Method:
  - Calculate 10-minute change in solar site net AC generation at each 5-minute intervals. For example, calculate changes between 8:00 and 8:10, 8:05 and 8:15, 8:10 and 8:20, and so on.
  - For each daylight hour, for each month, calculate:
    - The standard deviation of 10-minute changes within the hour using all days of the month
    - The average power output within the hour over all days of that month
  - Average over all daylight hour and month groups to calculate
    - The average daylight volatility in MW as the mean of the hourly standard deviations.
    - The average daylight generation in MW as the mean of the monthly power output
  - Calculate the volatility score as a ratio of the average daylight volatility to the average daylight power output
- Volatility Target for 50% Reduction in ISC Charge: 12%
- Volatility Target for 100% Reduction in SISC Charge: 6%

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## Daylight Hours

- Daylight Hours are selected from full hours of non-zero solar generation measured on the Duke system. The first and last hours in each month are discarded.

Hour Ending	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
1												
2												
3												
4												
5												
6												
7												
8												
9	D	D	D	D	D	D	D	D	D	D	D	D
10	D	D	D	D	D	D	D	D	D	D	D	D
11	D	D	D	D	D	D	D	D	D	D	D	D
12	D	D	D	D	D	D	D	D	D	D	D	D
13	D	D	D	D	D	D	D	D	D	D	D	D
14	D	D	D	D	D	D	D	D	D	D	D	D
15	D	D	D	D	D	D	D	D	D	D	D	D
16	D	D	D	D	D	D	D	D	D	D	D	D
17	D	D	D	D	D	D	D	D	D	D	D	D
18												
19												
20												
21												
22												
23												
24												

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## Process for Calculating SISC Reduction

- Solar sites that intend to utilize storage to reduce solar volatility follow notification procedure outlined in CPRE contract.
- The site would be required to install a revenue quality meter capable of recording 5-minute usage data (installed by Duke Energy and paid for under the Extra Facilities plan for interconnection facilities)
- Duke Energy will provide excel model template with calculations allowing solar site to enter 5-minute solar output required for the monthly calculation. Solar site can use this template to monitor their performance against targets.
- Each month the solar site will attest to Duke Energy whether it has met the 50% or 100% target, or will notify Duke that it has not achieved the target volatility for the month. Duke will then apply the appropriate SISC charge at a 0%, 50% or 100% level to the monthly invoice.
- Duke Energy would retain audit rights to review the 5-minute data and verify that the monthly attestations are correct.

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## Q&A



### Avoided Cost Status

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**To Be Discussed**

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## Proposals to Discuss

- **Projects with Executed Interconnection Agreements**
  - May submit Proposal in Tranche 2 on same basis as other projects re queue
  - Reassigned to CPRE queue position
  - Will not be included in grouping study
  - Have the benefit of pricing proposal with knowledge of actual upgrade costs
- **Step 2 Analysis**
  - Transmission construction can be complete by 1/1/2023

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## Q&A

# **Duke Energy – Competitive Procurement of Renewable Energy (CPRE) – Tranche 2 Pre-Bid Conference & Stakeholders Session**



*September 12, 2019*

**ATTACHMENT C**  
**September 12, 2019 PRE-BID BIDDERS CONFERENCE AND STAKEHOLDER SESSION**  
**SUBJECTS DISCUSSED**

**OFFICIAL COPY**

**Sep 16 2019**

Ques. No.	Question	RESPONSE
1	On slide 10, has COD deadline been moved from 1/1/2022 to 1/1/2023, or is this a typo?	This is not a typo. The IA is proposing to move the COD to January 1, 2023 but eliminate the 6 month cushion after the COD used in Tranche 1. The RFP will be updated to reflect this change and the issue may be discussed in greater detail at future stakeholder meetings.
2	Is the 80MW Limit at nameplate (inverter terminals) or at POI?	Nameplate capacity of the inverter, based on the language of the statute itself
3	Please explain again the rationale for moving the COD out to 2023	The IA needs a hard COD in order to equally evaluate all Proposals. In Tranche 1 there was a 6 month cushion after the January 1, 2021 COD for projects that could not be interconnected by that COD. The IA is proposing to eliminating the cushion for Tranche 2 and extending the COD to 6 months beyond what would have been the cushion date.
4	Please explain the formula by which the upgrade costs are imputed to a \$/MWh cost added to a bid price	The capital cost of the required upgrade is converted into 20 years of level DEC or DEP revenue requirements. The imputed \$/MWH cost is: Annual Revenue Requirement / Average Annual Energy (after curtailment)
5	Any reason why Tranche 2 is only 600 MWs?	Tranche 2 is 680 MWs total. We have sought to allocate the total amount of procurement over the entire 45 month period of the CPRE procurement period contemplated by HB 589. The 2660 MW number is subject to change based on the amount of transition MWs procured--we do not know the total MW target number at this time. We are seeking to allocate the CPRE MWs reasonably over the 45 month period, and the Commission is reviewing and approving the program plan for each Tranche of the program.
6	Are the proposals in step 2 studied individually as well?	Yes
7	Will this Exhibit 2 contain pricing for all energy and capacity periods reflecting the decrement from the MP's proposal offer? In other words, will Duke fill in this exhibit with prices from the new tiered Avoided cost table with discounts for each delivery period?	Yes. Exhibit 2 to the PPA is the Contract Price [to be completed by Buyer]. Once we have approved avoided costs, those pricing buckets will be the basis for Exhibit 2.



8	How large do you anticipate the shortlist will be? ("Competitive tier") Presumably non-shortlisted projects will be provided the option to remain on a "reserve list," similar to Tranche 1 - yes?	The IA's process is to complete the Step 1 evaluation, rank Proposals by system benefit, then typically will take 3x the goal and identify that as the preliminary competitive tier. We will then put other Proposals that are beyond 3x the need on a Reserve List. The ones on Reserve List are only asked to provide Proposal Security when moved to Competitive Tier. The IA will be ranking the Competitive Tier and not seek Proposal security from 3x the need initially, but rather will go through an iterative process and ask those at the top of the list first and move through the Competitive Tier from there.
9	The RFP bid docs tells us that our project capacity may be adjusted by 10% for DEP and 5% for DEC. At what point will we know if our project capacity will be reduced?	We understand the question to inquire how the curtailment rights will be applied. For Tranche 2 Step 1 evaluation purposes the maximum annual curtailment is assumed for each proposal. System Operating Instructions dictate when an energized project will be notified of curtailment.
10	If a project falls in constrained region, will it be studied in Step 2 evaluation or is it directly eliminated from the Step 2 evaluation?	If a project is well ranked in step 1, it will be moved to step 2 for evaluation, regardless of whether it is in a constrained area or not (assuming they post security). Constrained area maps are provided for guidance--developers are not precluded from bidding within those areas, but the maps put everyone on notice that they are constrained and it may be difficult to remain cost-competitive if located in those areas.
11	Per slide 19, evaluation assumes Duke will curtail to minimize their cost. If bids are provided as an equal decrement in all time periods, isn't the Facility Energy always equally costly compared to System Energy? How then are curtail times determined?	The single decrement defines the bid's \$/MWh pricing for the each of the unique pricing periods. Each facility is evaluated against system energy. Curtailment is included assuming full non-compensated curtailment rights (5% - DEC 10%-DEP).
12	Will exhibit 2 in the ppa form have one price or several prices?	Exhibit 2 to the PPA is the Contract Price [to be completed by Buyer]. Once we have approved avoided costs, those price buckets will be the basis for Exhibit 2.



13	Slide 10 states, "Capable of completing construction prior to January 1, 2023 (Not completion of Interconnection)." However, the RFP document states that such deadline is Jan 1, 2022. Can you please clarify if this deadline was changed since the RFP document was released last month?	Please refer the the response to Question No. 3.
14	How will curtailment impact the independent time blocks? For example, will Duke curtail Winter Premium Peak hours?	A response will be posted on the IA Website.
15	Capable of completion of construction prior to January 1, 2023. Is there a timeline indicated for achieving COD (that includes testing, synchronization)?	When the IA reviews Proposals, we review projects' viability. For example, projects must have site control that would establish the project can go forward and be built by COD. This includes a plan for achieving all necessary permitting, site control from project to POI, etc. These are all critical to say a project is capable of completion. Regarding the timeline for achieving COD, that is going to whether the testing, synchronization, etc., the IA reviews these issues as a part of the Step 2 analysis including the cost incurred to reach the COD. Through this evaluation, the IA determines whether we believe these projects <i>could</i> be completed. CPRE is looking for projects which are able to move forward quickly with few system upgrades to provide the best value to the ratepayers.
16	Can projects in FERC queue also participate in CPRE Tranche 2?	This issue is expressly discussed in the RFP. Qualifying facilities looking to enter into a PPA under CPRE are state jurisdictional as a matter of law. All projects in the FERC queue seeking to participate in CPRE must submit a jurisdictional transition request form as of the date of bid submission. That initiates the process to transition the project from the FERC interconnection queue to the state jurisdictional interconnection queue.
17	Is a project with a FERC queue position with Duke required to complete the Jurisdictional Interconnection Transition request prior to submitting a bid in CPRE Tranche 2?	A response will be posted on the IA Website.

18	For Approach #1, is the project with signed IA responsible to pay for network upgrades or also to pay for interconnection facilities along with network upgrades?	This question refers to Approach #1 on presentation slide 25 in the September 12, 2019 Stakeholder Session. All participating projects in every circumstance in CPRE are required to directly pay their costs of interconnection facilities. Given this statement, even with approach one, then yes the projects would be required to pay for the cost of interconnection facilities as well as paying any costs, if any, of network upgrades assigned to such projects under the terms of the executed interconnection agreement.
19	Regardless of where consensus lands regarding the potential for projects with executed IAs to qualify as exempted "Late Stage" bids, isn't it the case that the NC Utilities Commission would have to specifically approve such an arrangement, given that they did not authorize it for Tranche 2? Not approach #2 on slide 25?	These approaches have been presented to prompt discussion; orders of the Commission and implementation of the CPRE program by the Commission will of course be honored. This is just for discussion.
20	Approach #2 does not address queued projects that have not yet reached FS and do not bid from also bloating base case	We agree with the premise of the question that Duke has no control over the projects in the interconnection queue that choose not to bid into CPRE. Issue that has been discussed at length: how do we assure that our base case represents a realistic picture of the future given that Duke does not have the ability to assess which projects are speculative or not in the queue. We agree with the comment in that sense--the intention of approach 1 or 2 is not to solve this issue, but it is to solve it to the extent that we can within CPRE.
21	For tranche 2 are we following approach number 1?	These two approaches were put forth for discussion. We will not be using approach 1 unless the Commission approves it.
22	Slide 26: All projects before 10/8/2018 for DEC that do not bid into CPRE Tranche 2 will be considered in base case for tranche 2?	Yes this is correct. The dates on the slide are the dates through which the T&D sub team has completed analysis for purposes of identifying constrained areas on the system, not the dates for control for the CPRE grouping study. The Generator Interconnection Requirements as posted on the IA website identify the date when the data was collected in order to eliminate any confusion on the part of MPs.

23	Has any state or ISO transitioning to cluster studies voided existing interconnection agreements? That seems unlikely. the whole concept of "grandfathering" some projects from the effects of queue reform has historically referred to projects prior to IA execution.	The premise of this question seems misguided. We are not discussing the impacts of long term queue reform. We are talking only about the narrow grouping study approved for projects voluntarily participating in CPRE. Approaches 1 and 2 have nothing to do with the ongoing Stakeholders discussions about the long-term queue reform in North Carolina
24	To clarify, all queue positions withdrawn before the closing of bidding will not be included in the base case, correct?	Yes. If an interconnection request is withdrawn from the interconnection queue, that project will not be included in the base case
25	Jack - regarding the CPRE grouping study queue position. It was our understanding that the CPRE grouping study queue number would be established on (or before) the date that the RFP opens. Can you clarify when this queue number will be created?	A response will be posted on the IA Website.
26	If transmission facility (constrained facility ) identified is loaded greater than or equal to 94% by any of the projects in base case, shouldn't the cost assignment for the constrained facility be allocated to base case project and not for CPRE participating projects provided it has 3% distribution factor	A response will be posted on the IA Website.
27	Can you please confirm how the Winners' Fee will be calculated and when it will be due?	Winners' fee is assigned pro rata to the successful bids. It is only assigned when we have finalists identified and PPAs or associated agreements are executed. At that point, we tally the MWs and divide the winners' fee by the MWs and assign to the winning bidders and the fee is due at that point.

28	My last question didn't refer to broader queue reform. Let's try it this way: Option 2 is tantamount to saying that an MP with a signed IA is required to relinquish the IA as a condition of bidding into CPRE. That is a very significant program design element that was not expressly proposed by Duke and I don't see how that can be inferred from the Commission's July 2 order. So if it is ultimately decided to pursue Option 2, which seems like bad policy to me, that would certainly would seem to require express approval by the Commission.	Those two options were put up for discussion purposes. The goal is to have this discussion before a decision is made by the Commission on how to proceed. Feedback from this session will be provided, Duke will be providing a recommendation and the IA will weigh in as well.
29	Please provide color on how Duke will fill in exhibit 2 of the ppa (contract price)?	refer to Question 7
30	Would a project that bids with and without storage be double counted in the base case assumption?	1. A project with and without storage must obtain a unique queue number for each configuration of the project. 2. If both are bid into CPRE they must bid separately. 3. If both are bid then they will be evaluated and ranked but only one configuration could be awarded a PPA. 4. If one configuration is not bid, then that configuration will be included in the base case.
31	In Subsection V.A. on page 19, the RFP says that you will determine the benefit to the DEC/DEP system using two metrics: (1) contribution to the ability to defer capacity costs and (2) replacement or energy costs. Why does the IA have to make any determination on these issues and how will it do so? Isn't this baked into the bid price relative to avoided costs? Also, the IA apparently goes through a curtailment analysis for each project bid, assuming g full non-compensated curtailment. Why is this necessary?	Each facility is evaluated on (1) the cost savings associated with the facility's ability to defer future generating capacity and (2) its energy savings to the system associated with utilizing facility energy (at its bid energy cost) instead of system energy. Curtailment is included assuming full non-compensated curtailment rights (5% - DEC 10%-DEP).

32	Following on the point from AP earlier, by including a queued project in the base case (that creates a constrained facility i.e. >94%), you are also assuming it will be built and would therefore pay for NU's to address the problem. Therefore you should not also punish a subsequent CPRE project by disqualifying it or also charging it for NU's addressing the same issue	This is an issue that has been discussed at length as to how we go about assessing the CPRE grouping study based on a large system base case. Per the Commission's direction, we will look to select projects without significant contingencies in them in terms of assumptions about what is an is not the base case
33	Please confirm if there will be another stakeholder meeting ( in-person) to discuss the transmission constraint/base case issue in more detail. It would be very helpful for stakeholders to have this meeting in person to discuss our questions and concerns with base case formation.	The IA anticipates it will be; this session is being conducted, with the Commission's approval, via webinar only because of the hurricane response.
34	Regarding the CPRE PPA storage protocol: the scheduling provision in Section 6 contains language that would require a facility to unnecessarily curtail its output during on-peak periods when that output is most valuable to ratepayers (which is presumably an unintended consequence and one that Duke prefers to avoid). The problem arises because the current language requires levelized output specifically from the storage device during on-peak hours, instead of from the overall facility. Can Duke please confirm that this is an unintentional effect and take it under advisement?	A response will be posted on the IA Website.
35	Under a sponsored AA bid, DEC/DEP should be responsible for Proposal Security instead of the AA bidder because Duke ultimately controls the bid and the MP does not	A response will be posted on the IA Website.
36	When do you plan to discuss the SISC? As it is introduced through the PPA that may be the best time, but it's not mentioned in the PPA slides?	A response will be posted on the IA Website.

37	Why require MPs to bear an SISC directly rather than socializing it like network upgrades, since ratepayers will pay either way and forcing it into bid pricing may result in unnecessarily inflated bids?	Glen: we have addressed this to some extent in the case and I don't want to go too far back into the case because it is all subject to Commission approval. The thought is that intermittency on the system has a cost associated with it--that cost is assigned to the cost causer, and if the cost causer cannot bid under the avoided cost, with the inclusion of the charge, then it is not cost effective to the consumers. To socialize to the consumer may result in accepting bids that are actually above the avoided cost cap as contemplated.
38	Who pays the SISC charge? And how does this compare in Tranche 2 vs. Tranche 1?	refer to Question 37
39	Is it realistic to think that an SISC mitigation methodology (a very complex topic) can be agreed upon and approved by the Commission between now and the opening of Tranche 2? I'm not aware that the proposal being presented today was presented in Duke's voluminous testimony in the avoided cost proceeding.	Duke does not control the Commission's timing on their decision on avoided cost and that decision's impact on CPRE. We will look to the Commission for direction and guidance and will provide opportunity for full comment on this issue and on the PPA that reflects this issue, all contingent on where the Commission lands on this issue.
40	The Duke-Public Staff stipulation proposing the SISC specifically provided that PPAs with dispatch rights would avoid all or some portion of the SISC. This is important, because the existing economic dispatch rights in the CPRE PPA should allow Duke to mitigate at least some of those supposed integration costs – and if it does not use those dispatch rights to mitigate those costs, ratepayers may be forced to unnecessarily pay for the full SISC, since bid prices will have to account for the full charge. Can Duke and the Public Staff please discuss what you are currently doing to evaluate how those dispatch rights can be used to mitigate potential integration costs?	A response will be posted on the IA Website.
41	Will a copy of the excel model for auditing be distributed to bidders prior to bid submissions?	Yes



42	Is there a difference in how the SISC charge is being handled between Tranche 1 and 2?	Yes. In Tranche 1 we did not have an approved SISC charge so it was not included. If approved by the Commission in Docket No. E-100, Sub 158, it will be applied to Tranche 2 .
43	To Mr. Snider's point, if an SISC were socialized, like network upgrades it could still be attributed to bid prices for the purposes of making the comparison to the avoided cost cap, right?	A response will be posted on the IA Website.
44	Just a clarifying question - the "avoided cost cap" that will be included in the RFP will not include the SISC as a decrement to the cap, correct?	The avoided cost cap will not include the SISC as a decrement.
45	Should we expect that a project's SIS deposit remaining balance will be utilized to pay for its portion of the CPRE grouping study?	Yes
46	elementary question: could you elaborate on "transition MW"?	A response will be posted on the IA Website.
<b>Oral Questions</b>		
48	As clarified by HJ: How is our model designed so that when we run the eval the bid decrement is then calculated into system benefit?	The bid decrement establishes the bid's \$/MWh pricing characteristics.
49	Tranche 2 differs from Tranche 1 in that Tranche 1 provided for an absolute dollar decrement that was the same for all three differentiated pricing budget buckets. Now using a uniform percent rather than uniform dollar amount. What is the logic for that change the reasoning to make the change	A response will be posted on the IA Website.

50	T1 Just looked at decrements that were bid. Modeling is more complicated than just \$ decrements, calculating benefits using other factors. Does this give a boost to projects that have the ability to provide more energy in off-peak hours? Will they have a better chance?	If the NCUC approves Duke's recommendation, Tranche 2 will utilize 9 energy pricing periods and will include up to 3 capacity price period adders. The evaluation process is the same as Tranche 1 except for the inclusion of more pricing periods. The inclusion of more pricing periods will better align the payments with the time/seasonal variations of actual system cost.
51	Clarify the COD deadline shift from 1/22 to 1/23 rational behind that move? Still contingent on completion of network upgrades by Duke.	A response will be posted on the IA Website.
52	The wording around that deadline?	A response will be posted on the IA Website.
53	Is there a possibility that a competitor can have a fully completed project before January 1, 2023, does this suggest that a project can be completed but no connect or back feed be provided. Is that what it eludes to?	A response will be posted on the IA Website.
54	How are the constraints currently being identified? Are those constraints being fixed by the projects in the base case or are they considered to be a network upgrade for projects that are participating in the CPRE RFP... and how do you figure between who will be responsible for constraints on network update.	A response will be posted on the IA Website.
55	How do we identify viable projects that are in the base case and how will we clean up the queue?	A response will be posted on the IA Website.

56	Any reason Base case did not include any gas plants that were not considered but the solar projects were even if they are in an early interconnection process?	A response will be posted on the IA Website.
57	Issue with the 2 Approaches - Re: Return to projects with executed IA's and of the 2 Approaches offered - we would support Approach 1 over Approach 2. We don't think threshold question is significant enough to outweigh the benefits of that approach.	This is an observation, no response needed
58	We concur.	This is an observation, no response needed
59	Procedural issue: There are so many Q&A's in Tranche 1. It would be beneficial to capture and and provide for Tranche 2 reference.	This has been completed
60	Clarification: Avoided cost cap that will be included in the RFP will not include the SIS as a decrement to the cap?	Yes
61	Should we expect that a project SIS project remaining balanced will be used to pay for its portion of the CPRE grouping study?	Yes

62	Open question as to where the transition megawatts will end up and if there will be a Tranche 3, and if it will be reduced. Duke awards at 30% total program. Could be some need to be sure that through T2 when T1 and T2 are combined in aggregate that Dukes percentage doesn't exceed 30% if no T3, because that would be a violation of the statute.	Yes, very aware of this issue. We have put forth a range of potential outcomes , a lot can change between now and when the selections are made , but fundamentally we understand that the 30% cap on Duke submitted projects applies across the entirety of the CPRE process as adjusted by the transition megawatts.
63	Our view is that once that bid is sponsored by the Duke entity it is no longer in the MP control so we feel that the security should be put forward by Duke - acquisition team	A response will be posted on the IA Website.
64	Having proposed a structure, as in the draft, that the acquisition team would have a developer for a project that is accepted for sponsorship for acquisition would have indemnify by Duke providing the proposal security. The concern is that once it is sponsored, at that point the acquisition team has control over whether that project is moved forward if selected as a finalist and the pain would be borne by the developer if Duke chose not to move forward.	A response will be posted on the IA Website.
65	Would you elaborate on transmission megawatts?	A response will be posted on the IA Website.

66	Not being subject to bid bonds. Default by Duke to be deducted from future rider recovery? Did you consider any other types of alternatives that might more closely replicate what 3rd Parties will face?	A response will be posted on the IA Website.
67	Question not clear- see Phil's restatement of the Question.	If an individual project goes forward and looks good by itself and another project is ranked higher if two are combined the resulting value needs to be improved in order for us to look at them as an independent group. If not, we would take the high ranked project that did not have cost upgrades attributed. If a second or third project improves the utilization of the transmission system and reduces the upgrade costs then they would be considered and costs would be allocated appropriately. <b>HJ:</b> Submitted info on this to the commission. We will bring over to T2 document page as additional information.